

**§ 105-237. Waiver; installment payments.**

(a) Waiver. – The Secretary may, upon making a record of the reasons therefor, do the following:

- (1) Reduce or waive any penalties provided for in this Subchapter.
- (2) Reduce or waive any interest provided for in this Subchapter on taxes imposed prior to or during a period for which a taxpayer has declared bankruptcy under Chapter 7 or Chapter 13 of Title 11 of the United States Code.

(b) Installment Payments. – After a proposed assessment of a tax becomes final, the Secretary may enter into an agreement with the taxpayer for payment of the tax in installments if the Secretary determines that the agreement will facilitate collection of the tax. The agreement may include a waiver of penalties but may not include a waiver of liability for tax or interest due. The Secretary may modify or terminate the agreement if one or more of the following findings is made:

- (1) Information provided by the taxpayer in support of the agreement was inaccurate or incomplete.
- (2) Collection of tax to which the agreement applies is in jeopardy.
- (3) The taxpayer's financial condition has changed.
- (4) The taxpayer has failed to pay an installment when due or to pay another tax when due.
- (5) The taxpayer has failed to provide information requested by the Secretary.

The Secretary must give a taxpayer who has entered into an installment agreement at least 30 days' written notice before modifying or terminating the agreement on the grounds that the taxpayer's financial condition has changed unless the taxpayer failed to disclose or concealed assets or income when the agreement was made or the taxpayer has acquired assets since the agreement was made that can satisfy all or part of the tax liability. A notice must specify the basis for the Secretary's finding of a change in the taxpayer's financial condition. (1939, c. 158, s. 908; c. 370, s. 1; 1973, c. 476, s. 193; 1993, c. 532, s. 1; 1999-438, s. 17; 2015-259, s. 7.2.)